

ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

UNITED STATES OF AMERICA

v.

SYLVIA JEAN WILLETT (01), and
HUGH WILLETT (02)

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3-11 CR - 031 - B

No.

Filed Under Seal

SEALED

INDICTMENT

The Grand Jury charges:

Introduction

At all times material to this Indictment, unless otherwise specified:

1. The Medicare Program ("Medicare") was a federal health care program providing benefits to individuals who were over the age of 65 or disabled. Medicare was administered by the Centers for Medicare and Medicaid Services ("CMS"), a federal agency under United States Department of Health and Human Services. Medicare was a "health care benefit program" as defined by Title 18, United States Code, Section 24(b).

2. Medicare was subdivided into multiple Parts. Medicare Part B covered physician's services and outpatient care, including an individual's access to durable medical equipment ("DME"), such as orthotic devices and other items to aid in recovery from surgery.

3. Orthotic devices were a type of DME that included rigid and semi-rigid devices such as hip braces, ankle-foot braces and back braces (“orthotics”).

4. Other types of DME included inexpensive hip pillows designed to aid in recovery from surgery.

5. Individuals who qualified for Medicare benefits were commonly referred to as Medicare “beneficiaries.” Each beneficiary was given a Medicare identification number.

6. DME companies, pharmacies, physicians, and other health care providers that provided services to Medicare beneficiaries were referred to as DME “suppliers.” In order to participate in Medicare, DME suppliers were required to submit an application in which the suppliers agreed to comply with all Medicare-related laws and regulations. If Medicare approved a supplier’s application, Medicare assigned the supplier a Medicare “supplier number.” A DME supplier with a Medicare supplier number could file claims with Medicare to obtain payment for DME it rendered to beneficiaries.

7. A supplier was not permitted to convey, reassign, sell, or permit another DME supplier to use its supplier number, in order to obtain reimbursement from Medicare for DME.

8. Medicare paid DME companies and other health care providers for services rendered and items provided to beneficiaries. Medicare would generally pay for DME and related medications only if they were prescribed by the beneficiary’s physician and were medically necessary to the treatment of the beneficiary’s illness or injury.

9. To receive payment from Medicare, suppliers submitted or caused the submission of claims to Medicare for payment of services to beneficiaries, either directly or through a billing company.

10. CMS contracted with Durable Medical Equipment Regional Carriers ("DMERCs") to provide Medicare benefits and process claims for reimbursement. The DMERC that processed and paid Medicare DME claims in Texas was Cigna Government Services ("Cigna").

11. In order to bill Medicare for services rendered, a supplier submitted a claim form (Form 1500) to Cigna. When a Form 1500 was submitted, usually in electronic form, the supplier certified: (1) that the contents of the form were true, correct, and complete; (2) that the form was prepared in compliance with the laws and regulations governing Medicare; and (3) that the services rendered or items provided were medically necessary.

12. A Medicare claim for DME payment was required to set forth, among other things, the beneficiary's name and unique Medicare number, equipment provided to beneficiary, the date equipment was provided, the cost of equipment, and name and unique physician identification number of physician who prescribed or ordered equipment.

13. JS&H Orthopedic, Inc. (JS&H) was a Texas business entity doing business at 4410 West Vickery Boulevard, Suite 104, Fort Worth, Texas 76107-6200. Among other things, JS&H purported to provide orthotics and other DME to Medicare beneficiaries residing in the Dallas Division of the Northern District of Texas and

elsewhere. JS&H also filed claims seeking payment for DME purportedly provided to these Medicare beneficiaries.

The Defendants

14. Defendant **SYLVIA JEAN WILLETT** was an owner and operator of JS&H.

15. Defendant **HUGH WILLETT** was employed by JS&H and was married to **SYLVIA JEAN WILLETT**.

COUNT ONE
Conspiracy to Commit Health Care Fraud
(Violation of 18 U.S.C. § 1349)

16. Paragraphs 1 through 15 of this Indictment are realleged and incorporated by reference as if fully set forth herein.

17. From in or around September 2008 through in or around December 2010, the exact dates being unknown to the Grand Jury, in the Northern District of Texas, and elsewhere, defendants **SYLVIA JEAN WILLETT** and **HUGH WILLETT** did knowingly and willfully combine, conspire, confederate and agree with others known and unknown to the Grand Jury, to violate Title 18, United States Code Section 1347, that is, to execute a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Medicare, and to obtain, by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of, said health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services.

Purpose of the Conspiracy

18. It was a purpose of conspiracy for defendants and others to unlawfully enrich themselves by (a) submitting and causing the submission of false and fraudulent claims to Medicare, (b) concealing the submission of false and fraudulent claims to Medicare and the receipt and transfer of proceeds from the fraud; and (c) diverting

proceeds of the fraud for the personal use and benefit of defendants and their co-conspirators.

Manner and Means of the Conspiracy

The manner and means by which defendants and their co-conspirators sought to accomplish the purpose and object of conspiracy included, among other things:

19. Defendants **SYLVIA JEAN WILLETT** and **HUGH WILLETT**, and other co-conspirators known and unknown to the Grand Jury, would submit and cause the submission of claims from JS&H to Medicare for DME that was never actually provided.

20. **SYLVIA JEAN WILLETT** and **HUGH WILLETT**, and other co-conspirators known and unknown to the Grand Jury, would submit and cause the submission of claims from JS&H to Medicare for DME that was more expensive than the DME that was actually provided.

21. Defendants **SYLVIA JEAN WILLETT** and **HUGH WILLETT**, and other co-conspirators known and unknown to the Grand Jury, would submit and cause the submission of claims from JS&H to Medicare indicating that JS&H had delivered DME to Medicare beneficiaries outside the State of Texas when, in fact, JS&H had not delivered such DME.

22. Defendants **SYLVIA JEAN WILLETT** and **HUGH WILLETT**, and other co-conspirators known and unknown to the Grand Jury, would submit and cause the submission of at least \$1.8 million in claims to Medicare for DME purportedly provided by JS&H, when in fact, JS&H did not provide the DME for which Medicare was billed.

23. After payments from Medicare were deposited into JS&H bank accounts, defendants **SYLVIA JEAN WILLETT** and **HUGH WILLETT**, and other co-conspirators known and unknown to the Grand Jury, would transfer proceeds of the fraud to themselves and other co-conspirators.

All in violation of Title 18, United States Code, Section 1349.

COUNTS TWO through SIX
Health Care Fraud
(Violation of 18 U.S.C. §§ 1347 and 2)

24. Paragraphs 1 through 15 of this Indictment are realleged and incorporated by reference as though fully set forth herein.

25. On or about the dates specified below, in the Northern District of Texas, and elsewhere, defendants **SYLVIA JEAN WILLETT** and **HUGH WILLETT**, aiding and abetting each other as well as others known and unknown to the Grand Jury, in connection with the delivery of and payment for health care benefits, items, and services, did knowingly and willfully execute and attempt to execute, a scheme and artifice to defraud a health care benefit program affecting commerce, as defined in Title 18, United States Code, Section 24(b), that is, Medicare and to obtain by means of materially false and fraudulent pretenses, representations, and promises, money and property owned by, and under the custody and control of Medicare, in connection with the delivery of and payment for health care benefits, items, and services:

<u>Count</u>	<u>Defendant(s)</u>	<u>Medicare Beneficiary</u>	<u>Approx. Date of Claim</u>	<u>Description of Item Billed</u>	<u>Approx. Amount of Claim</u>
2	SYLVIA JEAN WILLETT and HUGH WILLETT	D.S	1/12/2009	Prefabricated hip orthotic	\$995
3	SYLVIA JEAN WILLETT and HUGH WILLETT	D.G.	3/16/2009	Prefabricated hip orthotic	\$995
4	SYLVIA JEAN WILLETT and HUGH WILLETT	E.F.	3/18/2010	Prefabricated hip orthotic	\$995
5	SYLVIA JEAN WILLETT and HUGH WILLETT	C.R.	6/10/2010	Prefabricated hip orthotic	\$995
6	SYLVIA JEAN WILLETT and HUGH WILLETT	R.J.	8/8/2010	Prefabricated hip orthotic	\$795

In violation of Title 18, United States Code, Sections 1347 and 2.

FORFEITURE NOTICE
(18 U.S.C. § 982(7))

Pursuant to 18 U.S.C. § 982(a)(7), upon conviction for any of the offenses charged in Counts 1-6 of this Indictment, the defendants **SYLVIA JEAN WILLETT** and **HUGH WILLETT** shall forfeit to the United States any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of the respective offense.

Pursuant to 21 U.S.C. § 853(p), as incorporated by 18 U.S.C. § 982(b)(1), if any of the above-referenced property subject to forfeiture, as a result of any act or omission of any of the defendants, cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third person; has been placed beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be subdivided without difficulty, it is the intent of the United States of America to seek forfeiture of any other property of the defendants up to the value of the previously-described property subject to forfeiture.

A TRUE BILL



FOREPERSON



BENJAMIN D. SINGER

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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

THE UNITED STATES OF AMERICA

v.

SYLVIA JEAN WILLETT (1)
HUGH WILLETT (2)

SEALED INDICTMENT

18 USC § 1349
Conspiracy to Commit Health Care Fraud;

18 USC §§ 1347 and 2
Health Care Fraud;

18 USC § 982
Forfeiture Notice

6 Counts

A true bill rendered

DALLAS



FOREPERSON

Filed in open court this _____ day of February, 2011

Clerk

Warrants to Issue to all Defendants



UNITED STATES DISTRICT/MAGISTRATE JUDGE

No Criminal Complaint Pending

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS**
Related Case Information
Superseding Indictment: ☐ Yes ☒ NoNew Defendant: ☒ Yes ☐ NoPending CR Case in NDTX: ☐ Yes ☒ No (If yes, CR #:)

Search Warrant Case Number: _____

Rule 20 from District of: _____

Magistrate Case Number: _____

SEALED

ORIGINAL

1. Defendant Information
Juvenile: ☐ Yes ☒ No

Matter to be sealed:

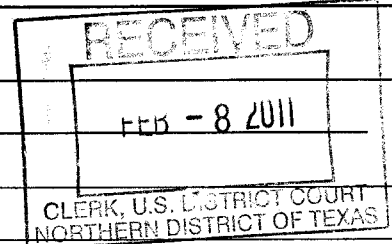
☒ Yes ☐ No

Defendant Name

SYLVIA JEAN WILLETT (1)

Alias Name

Address



County in which offense was committed:

Dallas

2. U.S. Attorney Information
Benjamin Singer

Bar # _____

8-11 CR-031-B
3. Interpreter
☐ Yes ☒ No

If Yes, list language and/or dialect: _____

4. Location Status WARRANT TO ISSUE

- ☐ Already in Federal Custody
☐ Already in State Custody
☐ On Pretrial Release

5. U.S.C. Citations

Total # of Counts as to This Defendant: 6



Petty



Misdemeanor



Felony

Citation

Description of Offense Charged

Count(s)

18 USC § 1349

Conspiracy to Commit Health Care Fraud

1

18 USC §§ 1347 and 2

Health Care Fraud

2-6

18 USC § 982(7)

Forfeiture Notice

Date

2/7/11

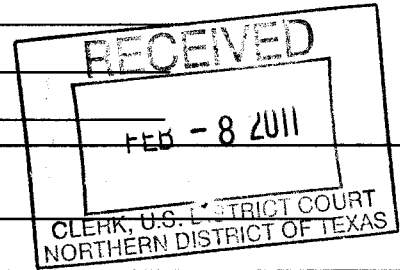
Signature of AUSA:

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS**
Superseding Indictment: ☐ Yes ☒ NoNew Defendant: ☒ Yes ☐ NoPending CR Case in NDTX: ☐ Yes ☒ No (If yes, CR #:)

Search Warrant Case Number: _____

Rule 20 from District of: _____

Magistrate Case Number: _____

SEALED**1. Defendant Information**Juvenile: ☐ Yes ☒ No

Matter to be sealed:

☒ Yes ☐ No

Defendant Name

HUGH WILLETT (2)

Alias Name

Address

3-11CR-031-B

County in which offense was committed:

Dallas

2. U.S. Attorney InformationBenjamin Singer

Bar # _____

3. Interpreter☐ Yes ☒ No

If Yes, list language and/or dialect: _____

4. Location Status WARRANT TO ISSUE

- ☐ Already in Federal Custody
☐ Already in State Custody
☐ On Pretrial Release

5. U.S.C. Citations

Total # of Counts as to This Defendant: 6



Petty



Misdemeanor



Felony

Citation**Description of Offense Charged****Count(s)**

18 USC § 1349

Conspiracy to Commit Health Care Fraud

1

18 USC §§ 1347 and 2

Health Care Fraud

2-6

18 USC § 982(7)

Forfeiture Notice

Date

2/7/11

Signature of AUSA: